

NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

April 30, 2018

A handwritten signature in blue ink, which appears to read 'Rendell L. Jones', is positioned above the printed name and title.

**RENDELL L. JONES
CHIEF FINANCIAL OFFICER**

NATIONAL CREDIT UNION SHARE INSURANCE FUND

MANAGEMENT OVERVIEW

April 30, 2018

Balance Sheet

Insurance and Guarantee Program Liabilities Reserves are \$935.8 million as of April 30, 2018; \$821 million is for specific reserves for natural person credit unions, and \$114.8 million is for general reserves.

There is no Insurance and Guarantee Program Liability for the Corporate System Resolution Program (CSRP) as of April 30, 2018.

Statement of Net Cost

For the month ended April 30, 2018, the fund had net income of \$9.3 million. The fund recognized gross revenues of \$24.8 million and total operating expenses of \$15.5 million. The fund recognized an insurance loss reduction of \$35 thousand during the month of April 2018.

Statement of Net Position

On September 28, 2017, the NCUA Board voted unanimously to close the Temporary Corporate Credit Union Stabilization Fund effective October 1, 2017, ahead of its sunset date of June 30, 2021. All remaining funds, property, and other assets of the Fund were distributed to the National Credit Union Share Insurance Fund, resulting in a \$2.6 billion increase in retained earnings in October 2017.

On February 15, 2018, the NCUA Board approved a \$735.7 million Share Insurance distribution, which should be paid in the form of a dividend during the third quarter of 2018.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

BALANCE SHEETS

As of April 30, 2018 and 2017

(Dollars in thousands)

	<u>April 2018</u>	<u>April 2017</u>
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury	\$ 3,162	\$ 59,019
Investments, Net U.S. Treasury Securities	16,189,279	13,099,233
Accrued Interest Receivable - Investments	75,952	76,371
Accounts Receivable - Due from the National Credit Union Administration Operating Fund	47	2,503
Note Receivable - Note due from the National Credit Union Administration Operating Fund	<u>7,263</u>	<u>8,604</u>
Total Intragovernmental Assets	<u>16,275,703</u>	<u>13,245,730</u>
PUBLIC		
Accounts Receivable - Due from Credit Unions	3,691	2,983
Advances	1,092	-
Accounts Receivable - Guarantee Fee on NCUA Guarantee Notes	1,207	-
General Property, Plant and Equipment, Net	364	982
Other - Receivable from Asset Management Estates, Net - NPCU AMEs	14,927	1,675
Other - Receivable from Asset Management Estates, Net - Corporate AMEs	<u>323,850</u>	<u>-</u>
Total Public Assets	<u>345,131</u>	<u>5,640</u>
TOTAL ASSETS	<u>\$ 16,620,834</u>	<u>\$ 13,251,370</u>
LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the National Credit Union Administration Operating Fund	\$ 132	\$ 89
Accounts Payable - Due to the Temporary Corporate Credit Union Stabilization Fund	<u>-</u>	<u>9,997</u>
Total Intragovernmental Liabilities	<u>132</u>	<u>10,086</u>
PUBLIC		
Accounts Payable and Other Liabilities	2,554	577
Dividends to Insured Credit Unions Payable	735,679	-
Capital Lease Liability	-	121
Other - Insurance and Guarantee Program Liabilities (Reserves)	935,766	245,739
Other - Insurance and Guarantee Program Liabilities (CSRP)	<u>-</u>	<u>-</u>
Total Public Liabilities	<u>1,673,999</u>	<u>246,437</u>
TOTAL LIABILITIES	<u>1,674,131</u>	<u>256,523</u>
NET POSITION		
Contributed Capital	10,875,662	10,296,411
Cumulative Result of Operations	<u>4,071,041</u>	<u>2,698,436</u>
Total Net Position	<u>14,946,703</u>	<u>12,994,847</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 16,620,834</u>	<u>\$ 13,251,370</u>

The balances in the statement above are preliminary and unaudited.

NATIONAL CREDIT UNION SHARE INSURANCE FUND
STATEMENTS OF NET COST, INCLUDING NON-EXCHANGE REVENUES
For the Periods Ending April 30, 2018 and 2017
(Dollars in thousands)

	April 2018	Year-to-Date April 2018	Year-to-Date April 2017
GROSS COSTS			
OPERATING EXPENSES ⁽¹⁾			
Employee Pay	\$ 7,641	\$ 31,394	\$ 33,156
Employee Benefits	2,946	12,344	13,225
Travel	1,308	3,741	4,010
Rent, Communications and Utilities	248	912	875
Administrative Costs	819	2,966	2,074
Contracted Services	2,412	6,864	5,708
Training Expense	103	196	355
Leasing Expense	40	199	210
Other Insurance Expense	3	12	12
Total Operating Costs	15,520	58,628	59,625
INSURANCE LOSS EXPENSE	(35)	(4,282)	48,142
Total Gross Costs	15,485	54,346	107,767
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(10)	(40)	(46)
Guarantee Fee Revenue - NCUA Guaranteed Notes	(1,551)	(6,108)	-
Other (Revenue) / Expense	-	(905)	(136)
Total Exchange Revenues	(1,561)	(7,053)	(182)
TOTAL NET COST/(INCOME) OF OPERATIONS	13,924	47,293	107,585
LESS NON-EXCHANGE REVENUES			
Investment Income	(23,211)	(89,719)	(66,500)
Gain on Sales of Investments	-	-	(132)
Total Non-Exchange Revenues	(23,211)	(89,719)	(66,632)
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	\$ (9,287)	\$ (42,426)	\$ 40,953

⁽¹⁾ Share Insurance Fund operating expenses are an allocation of total NCUA operating expenses, as determined by the overhead transfer rate set by the Board of 61.5% and 67.7% for 2018 and 2017, respectively.

The balances in the statement above are preliminary and unaudited.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATEMENTS OF NET POSITION

As of April 30, 2018 and 2017

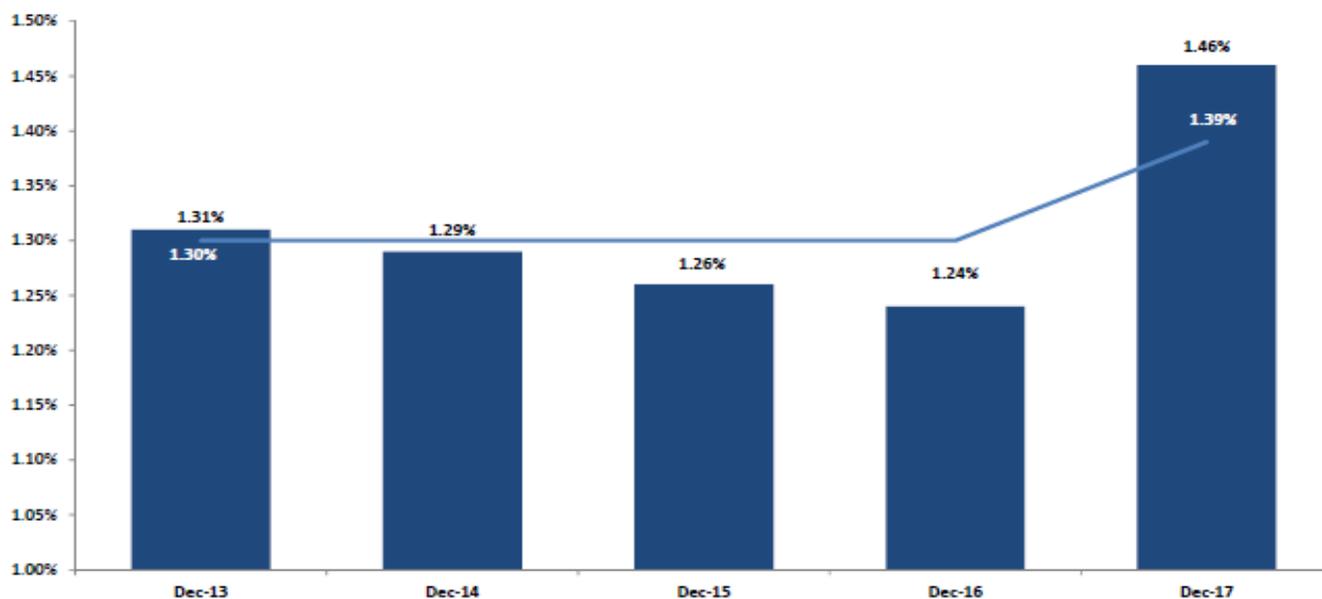
(Dollars in thousands)

	<u>April 2018</u>	<u>April 2017</u>
NET POSITION BREAKDOWN		
Credit Union Contributed Capital	\$ 10,875,662	\$ 10,296,411
Retained Earnings*	4,394,564	2,713,864
Total Net Position without Unrealized Gain/(Loss)	<u>15,270,226</u>	<u>13,010,275</u>
Unrealized Gain/(Loss) - Investments	<u>(323,523)</u>	<u>(15,428)</u>
NET POSITION	<u>\$ 14,946,703</u>	<u>\$ 12,994,847</u>

* In order to aid comparability between periods, the current period's Retained Earnings reflect a \$2.6 billion increase for the net assets transferred in from the Temporary Corporate Credit Union Stabilization Fund in October, 2017, and a \$735.7 million decrease for dividends payable to insured credit unions declared in the February 2018 Open Board Meeting.

NCUSIF Equity Ratio

CY 2013 – CY 2017



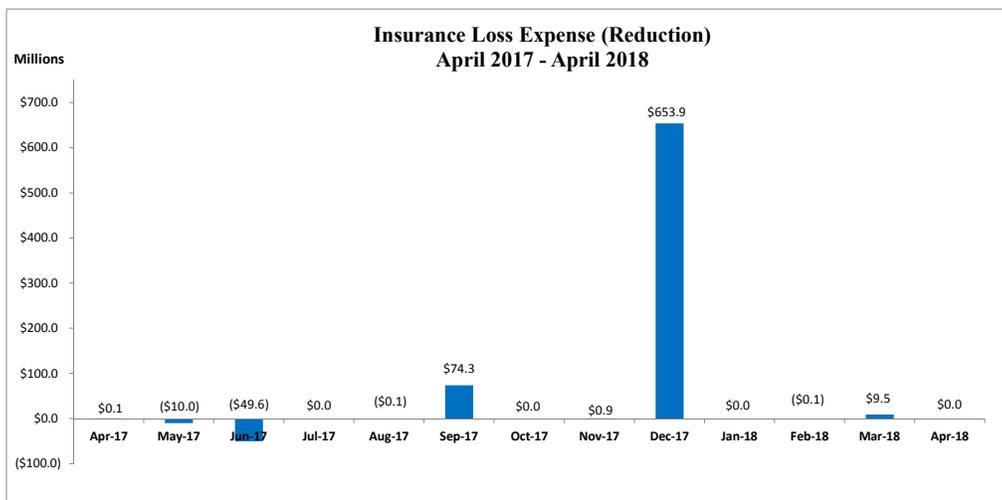
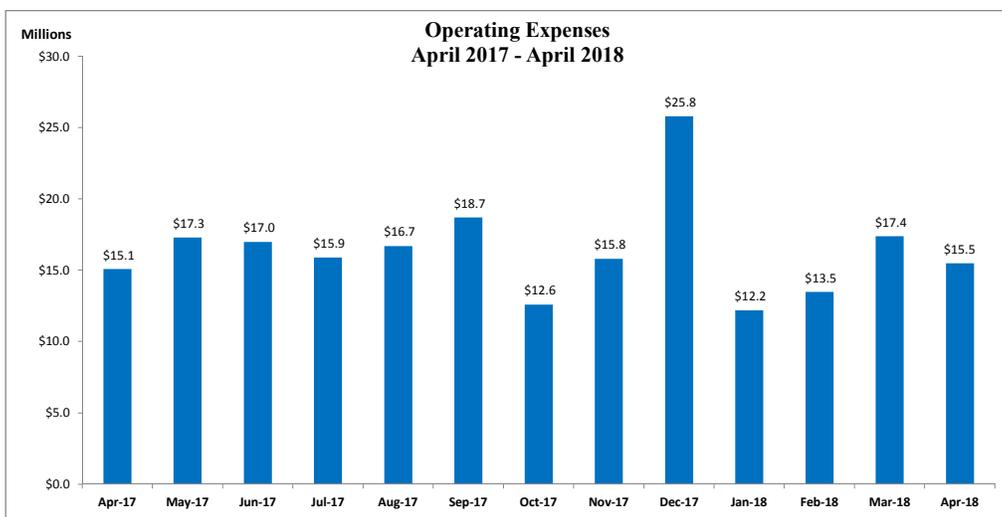
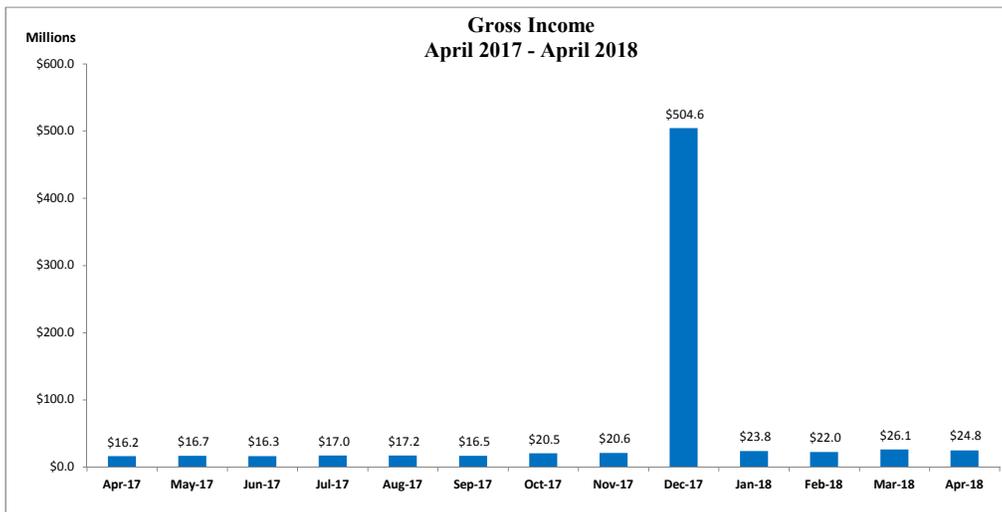
* The blue line represents the Normal Operating Level over the time period represented on the slide.

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NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATISTICAL INFORMATION

April 30, 2018



The information provided in the supporting statement above is preliminary and unaudited.

INVESTMENT PORTFOLIO SUMMARY
April 30, 2018

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE (In Dollars)						
	Book Value	Market Value	Unrealized Gain or (Loss)	% Market to Book Value	Weighted Average Yield	
Daily Treasury Account	\$ 3,395,655,000	\$ 3,395,655,000	\$ -	100.00%	1.60%	
U.S. Treasury Notes	13,117,146,499	12,793,623,666	(323,522,833)	97.53%	1.72%	
Total	\$ 16,512,801,499	\$ 16,189,278,666	\$ (323,522,833)	98.04%	1.69%	
II. INVESTMENT PORTFOLIO SUMMARY						
	Last Month	Current Month	CY To Date			
Investment Yield	1.70%	1.69%	1.67%			
Investment Income	\$ 23,652,512	\$ 23,210,910	\$ 89,718,713			
Weighted Avg. Maturity in Days	939	907				
III. MONTHLY ACTIVITY						
Purchased	Type	Amount	Maturity	Yield		
None.						
TOTAL		\$	-			
IV. MATURITY SCHEDULE (par value in millions)						
TOTAL	\$	16,446				

Maturity Period	Balance (Millions)
Overnight	3,396
1m-6m	1,200
6m-1yr	800
1yr-2yr	2,350
2yr-3yr	2,700
3yr-4yr	1,550
4yr-5yr	1,650
5yr-6yr	1,550
6yr-7yr	700
7yr-8yr	550
8yr-9yr	-
9yr-10yr	-

The information provided in the portfolio summary above is preliminary and unaudited.